

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE December 28, 2006

ANALYST Travis Brown

I COMMITTEE

Ellen Simon for Congress
C00423897
Carter Olson, Treasurer
P O Box 20435
Sedona, AZ 86341

II RELEVANT STATUTE

2 U S C §434(a)(6)(B)
11 CFR §§400 9(b) and 400 21(b)

III BACKGROUND

Millionaire Provision Reporting Problems (Failure to timely file 24-Hour Notice of Expenditure from Candidate's Personal Funds)

Ellen Simon for Congress ("the Committee") failed to timely file a 24-Hour Notice of Expenditure from Candidate's Personal Funds (FEC FORM 10) after exceeding the \$350,000 00 required reporting threshold for House Candidates (Attachment 2)

On May 1, 2006, Ellen Simon ("the Candidate") filed a Statement of Candidacy (FEC FORM 2) with the Commission. The "Declaration of Intent to Expend Personal Funds" portion of the form disclosed \$0 00 for the Primary Election on line 9(a) (Declaration of Intent to Expend Personal Funds for the Primary Election) (Image 26039070175)

On May 2, 2006, the Candidate faxed an amended Statement of Candidacy (FEC FORM 2). The Amended FEC Form 2 updated previously missing information (Office Sought, State, and District of Candidate), it again listed \$0 00 on line 9(a) (Declaration of Intent to Expend Personal Funds for the Primary Election) (Image 26039081611)

On July 14, 2006, the Committee filed a 2006 July Quarterly Report covering the reporting period April 1, 2006 through June 30, 2006 (Image 26940246993). The report disclosed the receipt of two (2) contributions from the Candidate totaling \$275,000 00 on line 11(d) (Contributions from the Candidate) of the Detailed

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Summary Page (Image 26940246995) Schedule A (Itemized Receipts) of the 2006 July Quarterly Report highlighted that both contributions, \$50,000 00 received on May 5, 2006 and \$225,000 00 received on June 29, 2006, were designated for the 2006 Primary Election (Image 26940247068)

On August 27, 2006, the Committee filed a FEC FORM 10 (24-Hour Notice of Expenditure from Candidate's Personal Funds) disclosing one (1) expenditure on August 21, 2006 from the Candidate's personal funds for the 2006 Primary Election totaling \$250,000 00 on line 10(a) (Expenditures of Personal Funds) The loan received by the Committee on August 21, 2006 brought the total expenditures from the Candidate's personal funds for the 2006 Primary Election to \$525,000 00, thereby exceeding the reporting threshold of \$350,000 00 for House Candidates (Image 26039173139)

On August 31, 2006 at 00 54, the Committee filed an Amended 2006 July Quarterly Report covering the reporting period April 1, 2006 through June 30, 2006 (Image 26930361184) The amendment indicated in a Memo Text (Image 26930361299) that the amounts originally reported as contributions on line 11(d) (Contributions from the Candidate) were actually loans derived from the Candidate's line of credit and should have been reported on line 13(a) (Loans Made or Guaranteed by the Candidate) The Committee corrected this error by moving the entry from line 11(d) to line 13(a) and providing a Schedule C-1 (Loans and Lines of Credit from Lending Institutions) The amount of the contributions/loans remained the same (Image 26930361186)

Also, on August 31, 2006 at 01 02, the Committee filed a 2006 12 Day Pre-Primary Report covering the reporting period July 1, 2006 through August 23, 2006 (Image 26940312497) The report disclosed the receipt of one (1) additional loan from the Candidate totaling \$250,000 00 on line 13(a) (Loans Made or Guaranteed by the Candidate) of the Detailed Summary Page, matching the information the Committee submitted on the August 27, 2006 filed FEC FORM 10¹ (Image 26940312499)

On September 1, 2006, the Committee filed a document classified as an Amended July Quarterly Report The filing included an updated Schedule C-1 (Loans and Lines of Credit from Lending Institutions) indicating Ellen Simon as the loan lender (Images 26039272445-46) and provided the detailed equity agreement between Wells Fargo Bank and the Candidate (Images 26039272447- 57)

On September 19, 2006, a Request for Additional Information ("RFAI") referencing, among other matters, the FEC FORM 10 (24-Hour Notice of Expenditure from Candidate's Personal Funds), dated August 27, 2006, was sent by RAD to the Committee The RFAI noted that the FEC FORM 10 (24-Hour Notice of Expenditure

¹ Please note that Schedule A (Itemized Receipts) and Form 10 (24-Hour Notice of Expenditure from Candidate's Personal Funds) list the loan date as 8/21/2006 The Schedule C (Loans and Lines of Credit from Lending Institutions) lists the established date of the loan as 1/17/2006, which is the date that the Candidate obtained the line of credit from the lender

from Candidate's Personal Funds) received on August 27, 2006 appeared to have been filed outside of the required deadline (Image 26039184042)

On September 26, 2006, the RAD analyst received a phone call from Darryl Tattre, a consultant to the campaign. Mr. Tattre stated that the campaign had exceeded the reporting threshold on August 21, 2006 but that he had not been notified by campaign staff until August 27, 2006 of the Candidate loan. Mr. Tattre also clarified that the Candidate's home, which had been used as collateral for the line of credit, was owned entirely by the Candidate (Attachment 3)

On October 8, 2006 the Committee filed an Amended 12 Day Pre-Primary Report covering the reporting period July 1, 2006 through August 23, 2006 (Image 26960437803). The amendment indicated the proper dates incurred for the loans listed on Schedule C (Images 26960437885-88). The amendment also included a memo text statement which clarified that no jointly held assets were used to guarantee the Candidate's line of credit (Image 26960437889).

On November 13, 2006 the RAD analyst contacted the Committee and informed them of the pending referral to the Office of General Counsel (OGC). The Analyst also advised the Committee that any additional information concerning the matter should be provided within one week to the Commission (Attachment 3).

To date, no further communication has been received from the Committee regarding this matter.

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FEDERAL ELECTION COMMISSION
OEC INDEX - (0) (2005-2008)

DATE 12/28/2008
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SINON, ELLEN

ID #N6A200035

ELLEN SINON FOR CONGRESS
ARTER OLSON
ILING FREQUENCY QUARTERLY

PO BOX 20435

SEDONA

HOUSE
AZ 86341

ID #C00423897

OWN TYPE	RPT TYPE	AI	PBI	REC DATE	PBS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
1			N	5/01/2006	5	28038070177						
75			4	5/25/2006	2	28960343888						
75			4	5/26/2006	2	28930350238						
75			4	5/27/2006	2	28960344412						
75			X	5/27/2006	1	28940308318						
75			X	5/27/2006	3	28038173138						
75			4	5/29/2006	2	28940310485						
75			4	5/30/2006	2	28960453802						
75			4	5/31/2006	2	28940312883						
75			4	5/01/2006	2	28960348815						
75			4	5/03/2006	2	28960350857						
75			4	5/07/2006	2	28940317885						
75			4	5/08/2006	2	28930388830						
75			4	5/09/2006	2	28960462253						
75			4	10/21/2006	2	28930501884						
75			4	10/22/2006	2	28930503150						
75			4	10/25/2006	3	28930508711						
75			4	10/27/2006	2	28930554181						
75			4	10/28/2006	2	28930555018						
75			4	10/30/2006	2	28960731884						
75			4	10/31/2006	2	28940570312						
75			4	11/01/2006	3	28960734442						
75			4	11/02/2006	2	28940572384						
75			4	11/03/2006	2	28960748876						
75			4	11/04/2006	2	28960883488						
75			4	11/05/2006	2	28960747802						
RD	02	2		5/11/2006	4	28038184403	4/01/2006 5/30/2006					
RD	12P	2		5/19/2006	4	28038184042	7/01/2006 8/23/2006					
RD	12S	2		12/12/2006	3	28038311268	10/01/2006 10/18/2006					
3	02	N		7/14/2006	111	28940248883	4/01/2006 6/30/2006	0	803328	121443	381882	0

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INOM, ELLEN
ID #HGAZ000036
LLEN SINON FOR CONGRESS
ARTER OLSON
ID #C00423867
FILING FREQUENCY QUARTERLY
PO BOX 20436
SEDONA
HOUSE
AZ 86341

TRN TYPE	RPT TYPE	AI	PSI	REC DATE	PSS	DES IMAGE	COVERAGE DATES		DES CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	02	A		8/31/2008	118	28830381184	4/01/2008	8/30/2008	0	502851	121443	381807	275000
3	02	A		9/01/2008	14	28838272448	4/01/2008	8/30/2008	-	-	-	-	-
3	12P	N	P	8/31/2008	86	28840312487	7/01/2008	8/23/2008	381807	318844	388887	334884	825000
3	12P	A	P	10/08/2008	87	28880437803	7/01/2008	8/23/2008	381807	318844	388887	334884	825000
3	03	N		10/15/2008	119	28840431485	8/24/2008	9/30/2008	334884	120782	338282	120094	825000
3	128	N	G	10/25/2008	83	28880648882	10/01/2008	10/18/2008	120094	335405	388225	67274	705000
3	308	N	G	12/07/2008	142	28840888808	10/19/2008	11/27/2008	67274	231218	283748	4748	870000
TOTAL										1808010	1504283		

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Ellen Simon for Congress (C00423897)
Candidate Expenditures (Personal Funds) for 2006 Arizona Primary Election

Amount	Source	Date	Period	Amount	Yes/No	Date	Count
\$50,000 00	Loan	5/5/2006	Q2 2006	\$50,000 00	N/A	N/A	N/A
\$225,000 00	Loan	6/29/2006	Q2 2006	\$275,000 00	N/A	N/A	N/A
\$250,000 00	Loan	8/21/2006	12P 2006	\$525,000 00	Yes	8/27/2006	5